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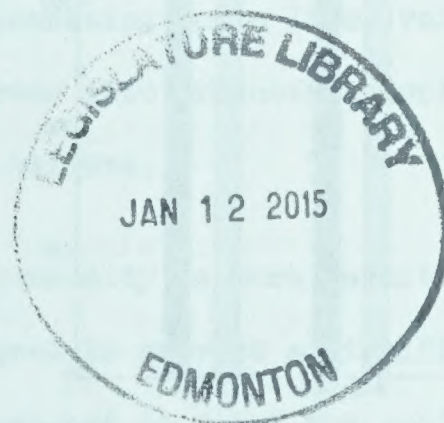
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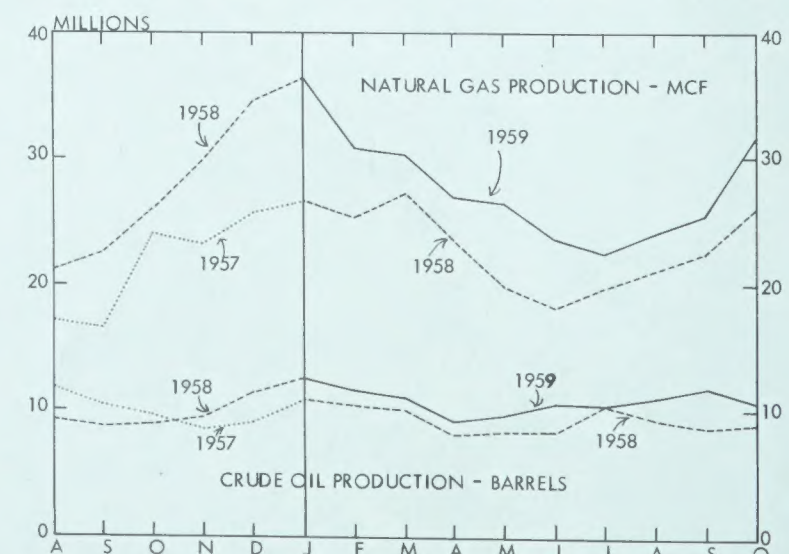
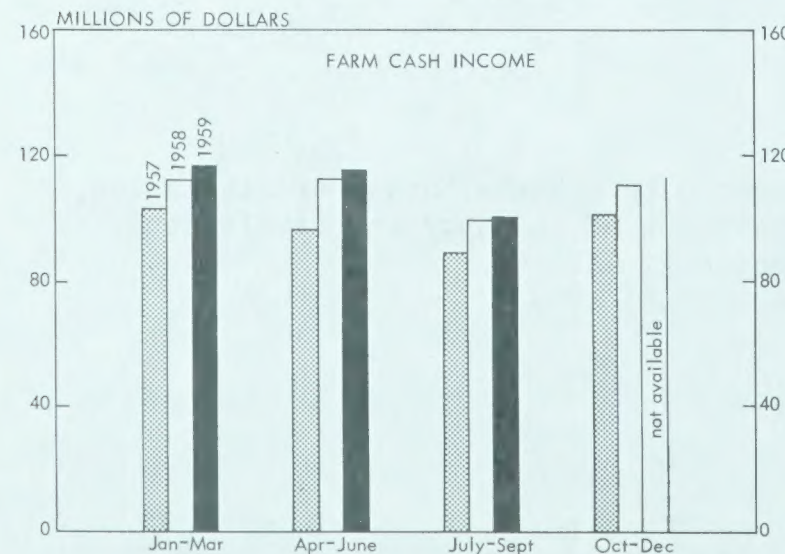
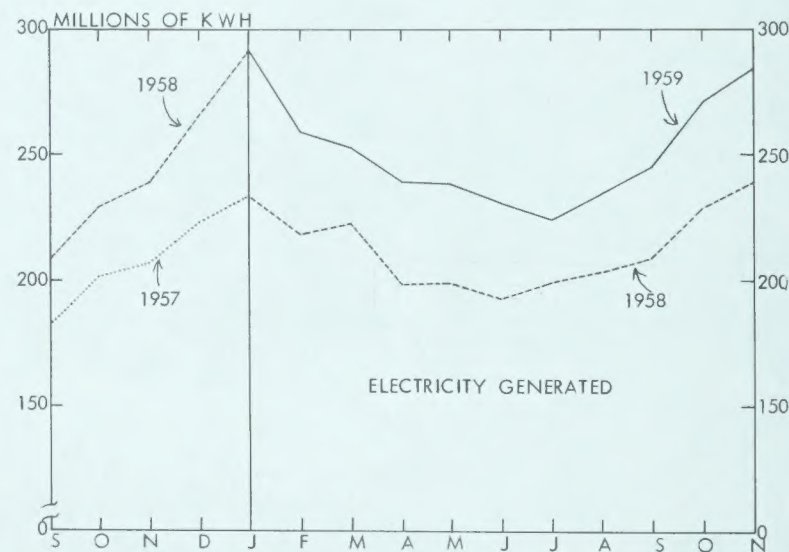
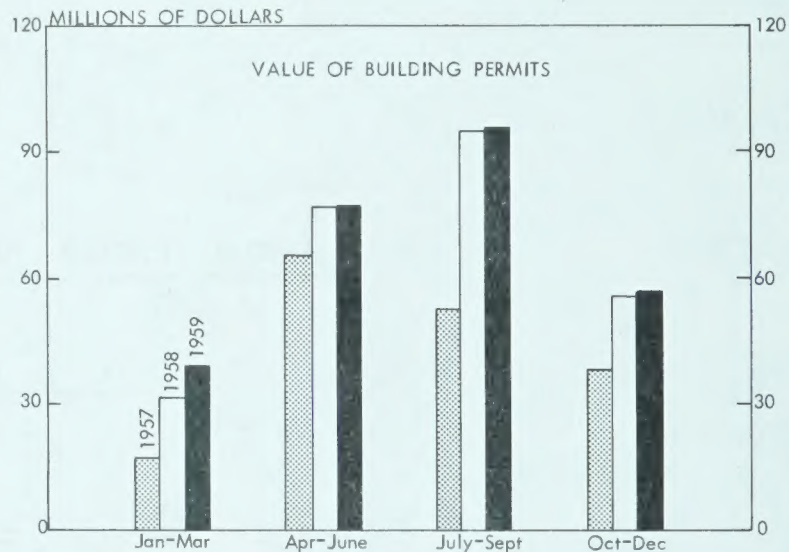
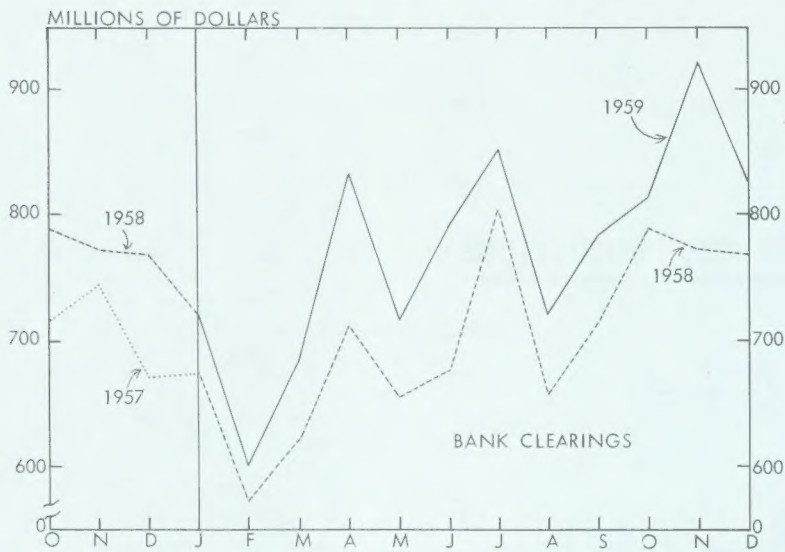
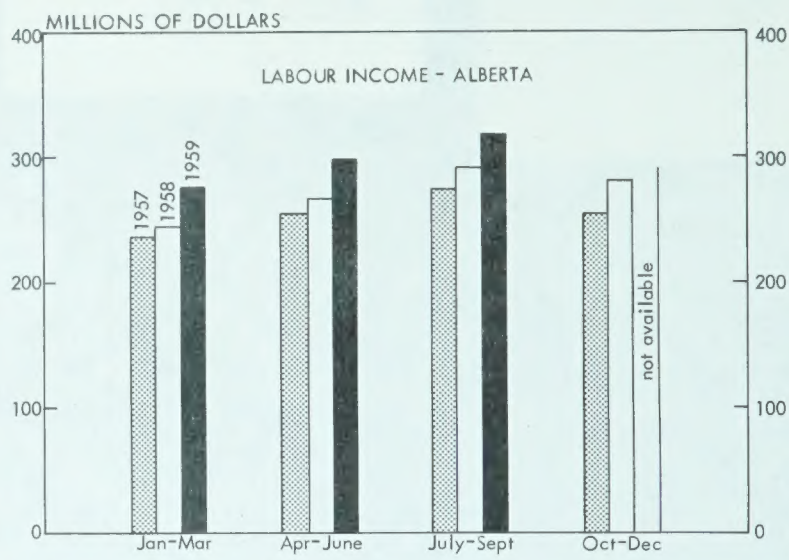
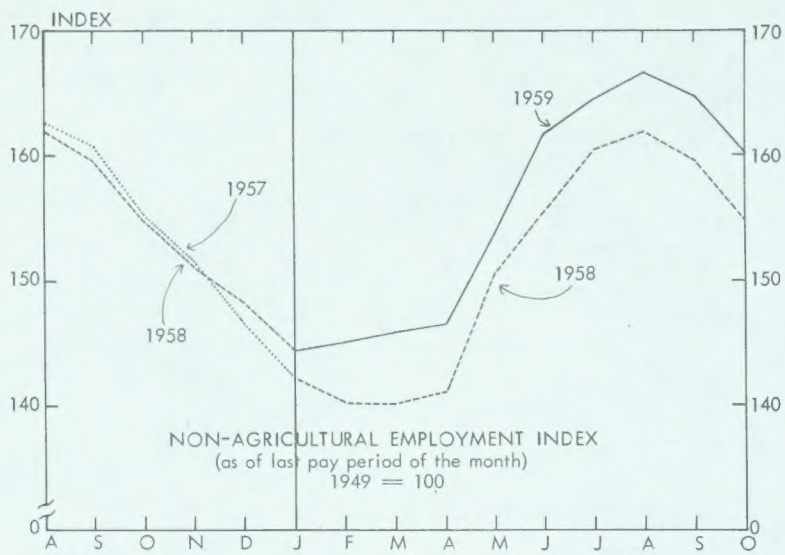
3/ ANNUAL REVIEW OF BUSINESS CONDITIONS

A L B E R T A

4/ 1 9 5 9
Annual



Prepared by Alberta Bureau of Statistics,
Department of Industry and Development,
Edmonton, Alberta.
January 14, 1960.



REVIEW OF BUSINESS CONDITIONS - ALBERTA - 1959

Expansion and general prosperity summarize the Alberta economic achievements of 1959. Total farm cash income was only slightly higher than in 1958, although the economic impact of the unseasonable fall weather will undoubtedly be felt in later years. There was a sharp drop in Canadian livestock and products exports to the U.S.A. Similarly, although the volume of housebuilding fell off from the record 1958 totals, the value of building permits issued by municipal authorities was higher than ever before. Mineral production rose substantially, due primarily to increased exports of crude oil and natural gas. The value of shipments of Alberta manufacturers rose to \$880 million. Retail sales advanced to over \$1,330 million. A substantial number of firms began construction of new manufacturing plants thereby increasing the industrial potential of the province.

As Canada and the U.S.A. have successfully come out of the recession of 1957-58, and in both cases anticipate near-boom conditions during 1960, a good demand for Alberta products can be confidently expected over the next 12 months. A surge of industrial construction now in swing is compensating for a lower volume of housebuilding. As the plants now under construction come into production during 1960 and 1961 the value of manufacturing should reach new heights.

The outlook for the agricultural community is more uncertain. While the recent Ottawa legislation is obviously designed to prevent a significant sag in total farm cash income, it is no less obviously designed to deter the production of large surpluses at high prices. American livestock herds are being built up again and shipments of livestock and products to the U.S.A. will not reach the record levels of recent years. Grain shipments have held at previous years levels and may even be expected to increase slowly. Mineral production, particularly of natural gas and of crude oil, can be expected to increase throughout 1960. Rising personal income ensures a good year for the commercial and financial community.

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The growing labour force should be absorbed in the expanding economy without undue difficulty: at the same time it is unlikely that labour supplies will be as tight as in 1956.

AGRICULTURE

Farm cash income from major sources is nearly on par with that of 1958.

FARM CASH INCOME FROM MAJOR SOURCES - ALBERTA - 1958-1959

	<u>1958</u>	<u>1959</u>	<u>Inc. or Dec.</u>
	\$	\$	%
Grains (January - November)	149,985,000	161,998,000	8.0
Livestock (January - November)	201,867,000	191,053,000	- 4.4
Dairy Products (January - October)	32,148,000	32,596,000	1.4
Poultry Products (January - November)	<u>8,277,000</u>	<u>7,579,000</u>	<u>- 8.4</u>
T O T A L	<u>392,277,000</u>	<u>393,226,000</u>	<u>0.2</u>

Higher flax sales and higher prices for flax, combined with higher gross returns from wheat offset lower receipts from livestock. Mustard, rapeseed, and sunflower were produced in significant quantities in southern Alberta and are leading to a measure of crop diversification.

Cattle marketings were considerably lower than in 1958, so that despite higher prices total returns to the end of November were \$8 million lower. Substantially higher hog marketings were met with substantially lower pork prices so that total returns from hogs were below those of 1958.

Between 30% and 40% of grain crops remained unthreshed at year end: weather conditions in the spring of 1960 will determine the quality and quantity recoverable. Canadian livestock shipments to the U.S.A. have fallen off considerably as compared with 1958.

It is difficult as yet to assess the effect of the new federal legis-

lation which seems designed to discourage overproduction while maintaining base prices to small producers.

MINERAL PRODUCTION

The value of mineral production rose from \$346 million in 1958 to \$378 million in 1959. The largest increases were in sales of natural gas which rose by \$6 million to \$26 million, and in sales of crude oil which increased from \$283 million to \$309 million.

An active oil and gas well drilling programme was continued during the year with over 800 initial oil well completions and more than 200 gas well completions. About 9,250 oil wells and 780 gas wells are now "capable of production". Footage drilled in 1959 totalled approximately 9,000,000 feet practically par with 1958.

Actual sulphur production more than doubled during 1959; however, sales remained at the 1958 level. Reversing a trend for the first time in a decade, coal production was higher than in the previous year, due primarily to some trial shipments to Japan from the Crowsnest Pass area. Sales of structural minerals increased substantially keeping pace with the construction programme.

MINERAL PRODUCTION - ALBERTA 1958 and 1959

		(1)		(2)	
		<u>1958</u>	\$	<u>1959</u>	\$
Gold	oz.	282	9,582	187	6,278
Silver	oz.	28	24	18	16
Salt	ton	55,766	983,640	59,825	1,028,050
Sulphur			1,815,100		1,800,641
Coal	ton	2,519,901	12,807,276	2,570,103	13,039,211
Natural Gas	mcf.	239,049,591	20,080,166	309,000,000	25,956,000
Petroleum, crude	bbl.	113,277,847	283,262,592	128,700,000	308,880,000
Clay Products	\$.		2,569,170		3,511,695
Cement	ton	635,516	10,676,668	639,000	11,742,000
Lime	ton	47,112	767,612	43,350	628,800
Sand and Gravel	ton	13,226,668	12,717,750	12,259,859	11,039,435
Stone	ton	<u>91,882</u>	<u>249,668</u>	<u>304,806</u>	<u>510,526</u>
TOTAL VALUE	\$.		<u>345,939,248</u>		<u>378,142,642</u>

(1) Dominion Bureau of Statistics - final

(2) Dominion Bureau of Statistics - preliminary

CONSTRUCTION

The value of building permits issued was higher than ever before. For the Calgary metropolitan area they approached \$111 million; and for the Edmonton metropolitan area \$98 million. All told ten cities accounted for \$203 million within their incorporated limits. Rural and other points accounted for \$65 million.

House building declined somewhat with "starts" to the end of October totalling 8,680, as compared with 10,365 in 1958; however, the figure is well above the 5,851 of 1957. The number under construction at 31 October was practically on par with the number in 1958 (6,466 cf 6,798).

Non-residential construction declined somewhat during 1959: substantial institutional, commercial, and industrial projects are under way. Contracts awarded as reported by the MacLean Building Guide show industrial construction up by \$16.0 million dollars and business construction 36% ahead of last year to the end of October.

Employment in the industry has been higher than in 1958 and many projects appear to have been so timed as to provide continuity over the 1959-60 winter season.

"Tight money" and higher interest rates have undoubtedly had some effect on building programmes, particularly housing. However, the monetary situation seems to be resulting in a shift in emphasis towards non-residential construction, rather than in forcing any curtailment of the total effort of the construction industry. No diminution of activity is expected in 1960.

VALUE OF BUILDING PERMITS ISSUED - ALBERTA 1955 - 1959.

	<u>Ten Cities</u>	<u>Other Municipalities</u>	<u>Total</u>
	million	million	million
	\$	\$	\$
1955	154.7	21.8	176.5
1956	149.6	38.6	188.2
1957	137.8	36.3	174.1
1958	196.6	61.9	258.5
1959	203.1	65.5	268.6

MANUFACTURING

The value of shipments of manufactured products rose to over \$880 million in 1959. The increases were fairly general and indicates a recovery from the slow year 1958 more than anything else.

VALUE OF MANUFACTURING SHIPMENTS, ALBERTA, 1957 - 1959

	(1) <u>1 9 5 7</u> \$	(2) <u>1 9 5 8</u> \$	(3) <u>1 9 5 9</u> \$
Foods and Beverages	310,988,000	328,295,000	355,000,000
Leather Products	351,000	570,000	700,000
Textiles	6,188,000	7,537,000	8,000,000
Clothing and Knitting Mills	9,663,000	10,615,000	11,000,000
Wood Products	55,182,000	61,638,000	63,000,000
Paper Products	17,454,000	27,928,000	30,000,000
Printing, Publishing & Allied Industries	25,473,000	25,436,000	27,000,000
Iron and Steel Products	68,254,000	62,734,000	60,000,000
Transportation Equipment	28,422,000	24,754,000	27,000,000
Non-ferrous Metal Products	20,773,000	21,923,000	25,000,000
Electrical Apparatus & Supplies ...	3,869,000	4,579,000	5,000,000
Non-metallic Mineral Products	42,493,000	47,423,000	54,000,000
Products of Petroleum and Coal	147,672,000	149,781,000	155,000,000
Chemicals and Allied Products	42,956,000	47,462,000	54,000,000
Miscellaneous Manufacturing	4,743,000	5,406,000	5,500,000
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T O T A L	784,481,000	826,081,000	880,200,000

(1) Dominion Bureau of Statistics - Final

(2) Alberta Bureau of Statistics - Preliminary

(3) Alberta Bureau of Statistics - Preliminary estimates

Accompanying this review, is a listing of new manufacturing plants, and additions to existing facilities, announced during 1959. The imminence of increasing natural gas exports touched off announcements of construction or expansion of a series of oil refineries and gas processing plants, now at various stages of development and totalling over \$40 million in value. Iron and steel and transport-

ation industry firms are constructing plants and facilities valued at \$17 million. New to western Canada, and Alberta in particular, are two rubber tire plants valued at \$11.5 million. A series of chemical and petrochemical plants with a wide range of products, was announced with a valuation of \$30 million. The growth of this construction industry was inducement for materials manufacturing firms to expand nearly \$7 million in expansion and new plants. Food products and miscellaneous plants accounted for an additional million dollars. These plants were well scattered over the face of Alberta.

MISCELLANEOUS

Electricity generated was 19% higher than in 1958, and for this first time will total over three billion K.W.H.

Forestry production also was higher than in 1958: 22% higher for pulpwood to the end of October; and 12% higher for sawn lumber to the end of November. However, sawmill operators are being faced with new regulations regarding grading of lumber entering the U.S.A. market effective in 1960.

Fur production was higher in value than in 1958 by 5%.

Bank clearings for the year at major centres were 10% higher than in 1958. The largest absolute increase occurred in Calgary, (14%), but all centres showed gains.

Wholesale and retail sales showed substantial gains over 1958. To the end of November wholesale trade was 11% higher; but for the month of November alone was 4% lower. All cities shared equally in the year to year increase.

Retail Trade to the end of October was 6% higher than in 1958 and reports indicate that the last two months maintained the percentage advance. The total volume is estimated at \$1,330,000,000. The largest absolute increases were

(8)

shown by grocery stores (up \$7 million); department stores (up \$8 million); and motor vehicle dealers (up \$24 million).

In spite of the weather conditions the total number of visitors to national parks increased. However, the increase was confined to Banff Park; all others showed decreases. Visitors numbered 1,806,271 as compared with 1,753,598 in 1958.

EMPLOYMENT AND LABOUR (Employment Index 1949 = 100 throughout)

Non-agricultural employment during 1959 exceeded that of the previous boom year, 1956. All industrial sectors shared in the increase except mining which reported an employment level below that of 1958. The construction index for the year averaged 208 as compared with 187 in 1958. The manufacturing employment index was 159 as compared with 150. The service industry employment index rose from 168 to 179.

In Calgary the industrial composite index rose from 157 in 1958 to 168 in 1959 with the construction employment index rising from 207 to 252. For Edmonton the industrial composite index rose from 179 to 186, with the manufacturing index rising from 174 to 185, and the construction employment index rising from 184 to 196.

The average of weekly wages and salaries for all non-agricultural industries rose from \$73.83 to \$75.93 for Alberta; from \$68.73 to \$71.58 for Calgary; and from \$70.26 to \$71.06 for Edmonton. All figures apply to last pay period of September in 1958 and 1959.

Latest estimates of labour income for 1959 indicate an increase of approximately 10% above the 1958 total of \$1,088 million.

The number of unplaced applicants registered at National Employment Service offices for employment has been lower than in 1958 throughout the year.

The January 1, 1960 total was almost identical with that of 1959 (32,491 - 32,506), but it is felt that the unreasonably cold weather in November resulted in a large number of construction workers being laid off temporarily, and that their return to work was not yet reflected in the records.

With a large construction programme under way, with business generally buoyant, and with a record year expected in manufacturing production in 1960, a year of reasonably full employment can be expected confidently.

LOCAL CONDITIONS AND DEVELOPMENTS

(Compiled on the basis of area correspondent's reports).

CALGARY:

Grain crops in the Calgary area were about average during 1959. Some weather damage was sustained at harvest time but not to the same extent as in central areas of the province. Livestock growers had a good year. Construction in the Calgary area continued at a high rate and building permits issued in the metropolitan area were a little higher than the 1958 total at \$111 million. Wholesale and Retail trade were down somewhat higher than in 1958. Some clearings were up quite sharply (14.0%) to \$6,367 million for the year. Manufacturing industries, particularly those associated with the building and construction industry, were operating at record levels during most of the year.

Employment in Calgary was at record high levels during the past year. Winter construction has been more active than in previous years and helped in maintaining seasonal unemployment at a minimum. There are several major projects planned for this area and prospects for the coming year are very good.

DRUMHELLER:

Grain crops were average to fair, but harvesting is not complete.

Returns from livestock were excellent. Retail and wholesale trade were 5% higher than in 1958. The labour situation has not been difficult, slackening opportunity in the mines was counteracted by increased construction activity, and the higher employment induced by the trend to mixed farming in the district. Although the coal industry is still a very vital factor in the valley, the economy appears to be stabilizing around the farming populace. Tourism is slowly becoming a more important factor.

EDMONTON:

The farming industry in the Edmonton district was hard hit by adverse weather in 1959. Over 30% of the grain in this area remains unharvested and much of that already threshed is tough or damp. Cattle prices were only slightly higher but hog and poultry prices dropped close to production cost with little prospect of improvement.

Construction in the area in 1959 was at slightly above the record 1958 level: building permits in the metropolitan area totalled over \$98 million. Industrial construction continued at a high rate throughout the year. Retail trade and bank savings at Edmonton remained almost unchanged from previous years figures while wholesale trade gained somewhat over the 1958 totals. Manufacturing here, as in most other parts of the province, was operating at record levels. There was a strong demand in the lumber, cement and building supply group due to the high level of construction throughout the province.

. Employment in the Edmonton area was at a somewhat higher level than in 1958 in most categories. Construction workers were in demand throughout the year and mild winter weather has kept that group employed at well above average winter level. Indications are that this high level of employment will continue in 1960.

GRANDE PRAIRIE:

Field grain crops in this district were good in 1959 but, as in many other districts, harvesting was affected by adverse weather. Construction during the year was almost 1/3 above 1958 levels and as a result employment in the building trades was constant. A number of industrial construction projects were undertaken in this area in 1959. Sawmills were busier than usual due to the building boom in this country and the U.S.A.

LETHBRIDGE:

District farmers were fortunate in being able to complete their harvest although grades suffered. The sugar beet harvest was normal but prices were somewhat lower. The sunflower crops on irrigated land yielded well, but yields of canning crops were lower.

Retail and wholesale trade held up well over the year as a whole. Several new manufacturing plants and additions to lines in existing plants added to the industrial potential of the district. The construction industry enjoyed a good year with the highest valuation for building permits of any year to date. As might be expected with healthy economic activity, employment levels were higher than in previous years.

LLOYDMINSTER:

Although difficulty was experienced in harvesting operations, enough threshing was completed to ensure successfully wintering and feeding of livestock. Little excess cash is available due to the lack of threshing. Retail and wholesale trade increased in the first 9 months of the year, but fell off with the suspension of harvesting operations. Manufacturing operations were steady, but plants did not work at capacity due to poor summer weather conditions in the province. Generally labour supplies were no more than adequate throughout the

year. The construction industry was active throughout the year, as were those manufacturing plants producing materials for the industry.

MEDICINE HAT:

Grain crops were 15% to 20% below normal in yield. The irrigated area west of the city is increasing gradually, and is providing the opportunity for growing a variety of specialty crops. Sales of stock and feeder cattle have fallen off. Retail and wholesale trade was up from 10% to 15%. Manufacturing plants operating loads varied; flour mills at 80% of capacity; pottery plants at a very low level; brick and tile plants at near capacity; and glass and fertilizer plants at satisfactory levels. Construction firms have had a active year, the value of building permits being higher than any year since construction of the fertilizer plant. The business outlook for 1960 appears generally favourable.

RED DEER:

Crops in the area were good but harvesting was hampered by adverse weather. Construction activity was high with building permits totalling \$8.3 million, almost double the previous record set in 1958. This was well distributed among residential, commercial, industrial and institutional building. The labour market was good: although workers were available whenever required, little unemployment was noticed. Retail and wholesale trade volumes increased. Important new manufacturing plants are being constructed in the area and should be in operation in 1960.

LIST OF NEW INDUSTRIES - ALBERTA 1959

Company	Location	Type of Plant or Products	Capitalization	Stage of Development
Alberta Distilleries Limited	Calgary	Addition to plant	\$ 140,000	Completed
Alberta Oxygen & Acetylene Company Limited	Edmonton	Plant Replace- ment	300,000	Completed
Amurex Oil Company Limited	Princess	Gas Processing Plant	100,000	Under Con.
Automatic Electric (Can.) Limited	Lethbridge	Telephone & Elect- rical Equipment	150,000	Completed
Big Inch Company Limited	Calgary	Steel pipe	4,000,000	Under Con.
Bow Island Onion Company	Bow Island	Onions	50,000	Completed
C. A. Oil and California Standard Oil Company Limited	Home-Glen- Rimbey	Gas Plant	16,000,000	Proposed
C. A. Oil Company Limited	Calgary	Refinery ex- pansion	50,000	Completed
C. A. Oil Company Limited	Nevis	Expansion of gas Processing plant	1,500,000	Under Con.
C. A. Oil Company Limited	Pincher Creek	3rd phase exp. of gas processing plant	4,000,000	Completed
Condors Canning Company Limited	Lethbridge	Cold storage addition	125,000	Completed
Corrins and Company Limited	Edmonton	Addition to plant	62,000	Under Con.
California Standard Oil Company Limited	Nevis	Gas plant	3,000,000	Under Con.
Camrose Tubes Limited	Camrose	Steel pipe	10,000,000	Under Con.
Canadian Brass Limited	Red Deer	Expansion	37,000	Completed
Canadian Chemical Company Limited	Edmonton	Addition to Petro- chemical plant	4,000,000	Under Con.
Canadian Chieftan Petroleums Limited	Provost	Gas Processing Plant	270,000	Completed
Canadian Pacific Oil and Gas Company	Hussar	Gas Processing Plant	303,000	Under Con.

Company	Location	Type of Plant or Products	Capitalization	Stage of Development
Canadian Liquid Air Company Limited	Edmonton	Hydrogen plant	\$ 100,000	Completed
Carlings Breweries Limited	Red Deer	Addition	20,000	Completed
Canadian Oil Company Limited	Bowden	Refinery	4,000,000	Under Con.
Centralta Millwork and Building Supplies Limited	Red Deer	Woodworking shop	25,000	Completed
Chinook Poultry Sales Limited	Calgary	Addition to processing plant	65,000	Completed
Consolidated Mining and Smelting Company	Calgary	Urea plant	5,000,000	Under Con.
Czar Block Limited	Czar	Concrete blocks	40,000	Completed
Dominion Bridge Company Limited	Edmonton	Steel culverts	320,000	Completed
Dominion Manufacturers Limited	Calgary	Casket plant	100,000	Completed
Dwyer Plastics Limited	Edmonton	Rigid plastic foam & Insulation board	400,000	Under Con.
Edmonton Paint & Glass Company Limited	Edmonton	Plant replacement	750,000	Under Con.
Ebreglas Canada Limited	Edmonton	Glass fibre insulation	3,000,000	Under Con.
Firestone Tire & Rubber Company of Canada Limited	Calgary	Rubber tires	7,500,000	Under Con.
Fuehauf Trailer Company	Calgary	Trailers	175,000	Completed
Gendale Mobile Homes Limited	Wetaskiwin	Mobile Homes	50,000	Completed
Goodyear Tire & Rubber Company Ltd.	Calgary	Retread plant	100,000	Completed
Goodyear Tire & Rubber Company Ltd.,	Medicine Hat	Rubber tires	4,500,000	Under Con.
Heppsum Lime & Alabastine Company Limited	Calgary	Additions to Plant	1,000,000	Under Con.
Motor Machine Company Limited	Calgary	Plant expansion	35,000	Completed
Neve Oil Company Limited	Carstairs	Gas Processing Plant	3,750,000	Under Con.
Neveboy Bread Company Limited	Calgary	Bakery products	100,000	Under Con.
Neve Charcoal Limited	Edmonton	Charcoal	250,000	Proposed

Company	Location	Type of Plant or Products	Capitalization	Stage of Development
Imperial Oil Limited	Edmonton	Alkylation unit	\$ 2,200,000	Under Con.
Industrial Sheet Metal Products	Calgary	Custom sheet metal items	125,000	Completed
Inland Cement Company Limited	Edmonton	Expansion	3,000,000	Under Con.
Innisfail Operators Committee	Innisfail	Gas processing Plant	4,000,000	Proposed
Irving Wire Products Limited	Calgary	Plant expansion	125,000	
Javex Company Limited	Edmonton	Bleach products	350,000	Under Con.
Jefferson Lake Petrochemicals of Canada Limited	Balzac	Sulphur plant	20,000,000	Proposed
Kirchener Machine Company	Lethbridge	Expansion	20,000	Completed
Lakusta, S.C.	Edmonton	Sheet metal shop and office	50,000	Completed
Lethbridge Mobile Homes Limited	Lethbridge	Mobile Homes	50,000	Completed
Magnet Cove Barium Corp. Limited	Rosalind	Drilling mud	200,000	Completed
J. McAvity and Sons (Western) Limited	Medicine Hat	Plant expansion	50,000	Completed
Midwood Manufacturing Limited	Calgary	Building materials	320,000	Completed
Model Dairies Limited	Calgary	Addition	65,000	Completed
National Tank Company	Calgary	Tanks and Pressure vessels	200,000	Proposed
Newsome Brothers Concrete Products	Camrose	Concrete products	60,000	Under Con.
A. C. Norris Company Limited	Edmonton	Oil production equipment	400,000	Under Con.
Orwood Lumber Company Limited	Edmonton	Millwork shop	30,000	Completed
Northern Alberta Dairy Pool Company Limited	Camrose	Powdered milk	500,000	Completed
Northern Concrete Company Limited	Grande Prairie	Concrete blocks	50,000	Under Con.
Pepsi Cola Company of Canada Limited	Edmonton	Bottling plant	250,000	Under Con.

Company	Location	Type of Plant or Products	Capitalization	Stage of Development
airie Plastics Limited	Lethbridge	Plastic boats	\$ 25,000	Completed
ecast Concrete Limited	Lethbridge	Concrete beams and wall panels	50,000	Completed
ven-Up Lethbridge Limited	Lethbridge	Carbonated beverages	25,000	Completed
earns-Roger Engineering Company	Calgary	Pre-fab piping systems	100,000	
ift Canadian Company Limited	Edmonton	Poultry processing plant	70,000	Completed
nessee Gas Transmission Company	Wayne-Rosedale	Gas processing plant	115,000	Completed
on Milk Limited	Red Deer	Dairy products	143,000	Completed
iversal Construction Company Limited	Edmonton	Millwork shops and warehouse	175,000	Under Con.
son Industries (Alberta) Limited	Claresholm	Mobile homes	150,000	Completed
tern Aluminum Company	Calgary	Aluminum windows and doors	120,000	Completed
tern Canadian Seed Processors Limited	Lethbridge	Addition - Oil refining and hydrogenation facilities	1,000,000	Under Con.
tern Chemicals Limited	Duvernay	Plant expansion	1,500,000	Completed
tern Gypsum Products Limited	Calgary	Plant expansion	225,000	
tern Rolling Mills Limited	Calgary	Steel rolling mill	1,500,000	Proposed
A. Wilson Company Limited	Medicine Hat	Lighting and Display equipment	150,000	Under Con.

